Listing of Claims:

1 - 13 cancelled

14. (new) A method for carrying out a purchase comprising the steps of:

1
2   reading at a point-of-sale terminal located at a vendor consumer-
3   identifying information encoded on a device having a readable data string;
4   maintaining a database of discounts available at the vendor;
5   determining on a real-time basis whether the items purchased by
6   the consumer are items offered at a discount by the vendor, said determining
7   not done by the consumer;
8   transmitting a signal to the vendor to cause a discount to such
9   items purchased by the consumer on an itemized basis that are identified in the
10   database as being offered by the vendor at a discount, said transmitting not
11   done by the consumer;
12   connecting in an initial split connection connecting the point-of-sale
13   terminal to the host system for communication therewith, the database of
14   discounts maintained in the host system, the host system remote from the
15   point-of-sale terminal;
16   the host system accomplishing said determining;
17   the host system accomplishing said transmitting to effect said
18   discount;
19   delaying initially connection of the point-of-sale terminal to a
20   payment processing system; and
21   following said determining and said transmitting, connecting the
22   point-of-sale terminal to the payment processing system and completing the
23   purchase via the payment processing system.

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REMARKS

The pending claims 1 - 13, rejected for various reasons, have been cancelled.
One new independent claim - Claim 14 - is presented here.

§ 103 Rejections

Claims 1 - 4, 7, 8, and 10 - 13 have been rejected under § 103 based on Kepecs (U.S. 6,009,411) in view of Williams et al (U.S. 6,075,971; "Williams").

New independent claim 14 recites these limitations for the claimed method:

- connecting the point of sale terminal to the host system in an initial split dial-up
- delaying initially connection of the point-of-sale terminal to the payment processing system
- following determination of applicable discounts, connecting the point-of-sale terminal to the payment processing system
- determining the applicability of discounts, the determining not done by the consumer

Kepecs has no teaching or suggestion of a split dial-up as claimed herein (this aspect already searched in dealing with now-cancelled claims 11 - 13). The text of Kepecs cited in the Office Action as disclosing an initial split connection ["(see at least col. 10 lines 19 - 67)"] does not disclose a split connection as claimed nor the delay in connecting the point-of-sale terminal to the payment processing system as now claimed herein. Also, Williams has no teaching or suggestion of such a split dial-up with the claimed delay.

Applicants note that Kepecs requires selection of discount(s) by a consumer

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prior to a transaction. Applicants also assert that Kepecs neither teaches nor suggests a system as now claimed herein in which discounts are applied automatically at the time of a transaction at a vendor location without action or selection by or awareness of a consumer.

Williams does not remedy the deficiencies of Kepecs. Williams deals only with coupons that are provided to a user which then must be presented to a seller when a purchase is made. Williams requires that coupons be printed and provided to a user. Then the user must present the coupon to obtain the benefit of the discount represented by the coupon. In the method of new claim 14, the consumer does not present anything; the consumer does not apply the discount.

Applicants incorporate here all the remarks about the cited references from the previously filed Response To Office Action Mailed 09/10/04.

§ 103 Rejection

Claims 5 - 6 and 9 have been rejected under § 103 based on Kepecs in view of Williams and Hoffman (U.S. 5,297,026). This rejection is respectfully traversed.

Applicants repeat here the comments above regarding new Claim 14, the Kepecs reference, and the Williams reference. Hoffman does not remedy the deficiencies of Kepecs and of Williams.

Hoffman deals only with purchases made by a consumer in which the consumer is aware of the transaction and has nothing to do with a system or method in which discounts are automatically applied to a transaction whether the consumer is aware or not of an applicable discount.

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